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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN THE MATTER OF THE TAX
LIABILITIES OF:

JOHN DOES, United States person(s), who directly or indirectly had authority over any combination of accounts held with OX Labs Inc., d/b/a SFOX, SFOX Inc., sfox.com, or its predecessors, subsidiaries, divisions, or affiliates (collectively, “SFOX”), with at least the equivalent of \$20,000 in value of transactions (regardless of type) in cryptocurrency in any one year, for the period January 1, 2016, through December 31, 2021.

No. 21 Misc. 213 (____)

***EX PARTE PETITION
FOR LEAVE TO SERVE
“JOHN DOE” SUMMONS***

The United States of America, by its counsel Damian Williams, United States Attorney for the Southern District of New York, hereby petitions the Court for an order authorizing service of an Internal Revenue Service “John Doe” summons to M.Y. Safra Bank (“M.Y. Safra”) for information related to transactions in cryptocurrency. In support, the United States avers as follows.

1. This *ex parte* proceeding is commenced pursuant to sections 7402(a), 7609(f), and 7609(h) of the Internal Revenue Code, 26 U.S.C. §§ 7402(a), 7609(f), and 7609(h), for leave to serve an Internal Revenue Service “John Doe” summons on M.Y. Safra.

2. The Court has jurisdiction over this proceeding pursuant to sections 7402(b) and 7609(h)(1) of the Internal Revenue Code, 26 U.S.C. §§ 7402(b), 7609(h)(1), and 28 U.S.C. §§ 1340 and 1345. Venue properly lies within this district because M.Y. Safra is headquartered in Manhattan.

3. The IRS has launched an investigation to determine the correct federal income tax liabilities for taxable years 2016-2021 of United States taxpayers who have conducted transactions in cryptocurrency. The taxpayers being investigated have failed or potentially have failed to comply with U.S. internal revenue laws requiring the reporting of taxable income from cryptocurrency transactions.

4. In furtherance of this investigation, the IRS seeks permission to serve, under the authority of 26 U.S.C. § 7602, an administrative “John Doe” summons to M.Y. Safra. A copy of the proposed summons is attached as Exhibit 6 to the Declaration of Katy Fuentes, an Internal Revenue Service Revenue Agent.

5. The “John Doe” summons relates to the investigation of an ascertainable group or class of persons, that is, United States taxpayers who directly or indirectly had authority over any combination of accounts held with Ox Labs Inc., d/b/a SFOX, SFOX Inc., sfox.com, or its predecessors, subsidiaries, divisions, or affiliates (collectively, “SFOX”), with at least the equivalent of \$20,000 in value of transactions (regardless of type) in cryptocurrency in any one year, for the period January 1, 2016 through December 31, 2021. M.Y. Safra offered certain banking services to SFOX customers during the timeframe at issue.

6. There is a reasonable basis for believing that this group or class of persons may fail, or may have failed, to comply with one or more provisions of the internal revenue laws.

7. The information sought to be obtained from the examination of the records (and the identity of the persons with respect to whose tax liabilities the summons will issue) is not readily available from other sources.

8. The information sought to be obtained from M.Y. Safra is narrowly tailored to information that pertains to the failure or potential failure of that group or class of persons to comply with one or more provisions of the internal revenue laws.

9. In support of this Petition, the United States submits the Declaration of Katy Fuentes, the exhibit attached thereto, and a supporting memorandum.

Dated: New York, New York
August 8, 2021

Respectfully submitted,

DAMIAN WILLIAMS
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Southern District of New York

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